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ABSTRACT

Consumer behavior can be conceptualized by introducing a theoretical framework which defines its scope and boundary and identifies six developmental levels. The infancy stage, Level I, is the study of consumer behavior referred to as the scientific study of psychological structure and process dynamics of individuals consuming an economic good exchanged by a business organization while satisfying consumers at maximal profit. Level II is directed to both business and consumers for the purpose of satisfying consumers at a maximal profit and protecting and educating consumers in the market place. Level III extends consumer behavior to the nonprofit sector through which a nonprofit organization satisfies consumers at minimal cost. Level IV takes consumer behavior into the noneconomic goods' sector. These profit or nonprofit organizations may attempt to elicit a social response from its publics. Level V generalizes the study of consumer behavior across different social entities. Level VI extends the study to the physical and biological areas. (Author/BM)

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CONSUMER BEHAVIOR: ITS SCOPE AND BOUNDARY

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CONSUMER BEHAVIOR: ITS SCOPE AND BOUNDARY

ABSTRACT

Consumer behavior is going through a developmental process. Six developmental levels have been identified. In its infancy stage (Level I), the study of consumer behavior is referred to as (a) the scientific study of psychological structural and process dynamics (b) of individuals who consume (c) an economic good (d) exchanged by a business organization (e) for the purpose of satisfying consumers at a maximal profit. Consumer behavior, in Level II, is grown to a stage in which its purpose is directed to both business and consumers for the purpose of satisfying consumers at a maximal profit and protecting and educating consumers in the market place. Level III extends consumer behavior to the nonprofit sector through which a non-profit organization attempts to satisfy consumers at a miminal cost to them. Level IV takes consumer behavior into the noneconomic goods' sector. These profit or non-profit organizations may attempt to elicit a social response from its publics. Level V generalizes the study of consumer behavior across different social entities (i.e., individuals, groups, organizations, societies). Level VI extends this study to the physical and biological arenas. The definition of consumer behavior at this high level of maturation is therefore stated as: (a) the scientific study of physical, biological, and/or psychological structural and process dynamics (b) of a system which consumes (c) value or utility (d) exchanged by another system (e) for the purpose of accomplishing some specified goal.

CONSUMER BEHAVIOR: ITS SCOPE AND BOUNDARY

INTRODUCTION

In the 1980 Association for Consumer Research Conference luncheon address, the issue of "what consumer behavior is" came up. James Engel, one of the founders of the consumer behavior discipline, referred to consumer behavior as an "engineering discipline", a discipline which is directly concerned with technology rather than a pure science. That is, a discipline which applies knowledge in specific setting, namely the market place. Consequently, he emphasized the concept of "relevance". He argued that the study of consumer behavior should be directly relevant to marketing practitioners and public policy makers. William Wilkie, a well-respected consumer behavior scholar, in what seemed to be a rebuttal speech disagreed with the conceptualization of consumer behavior as strictly an engineering discipline, however, he did not offer a clear conceptualization of consumer behavior as a scientific discipline.

Consumer behavior was originally founded as a branch of marketing and is usually treated within a marketing perspective. Marketing scholars have realized that consumer behavior plays an integral part in marketing when marketers started accepting and practicing the marketing concept.[1] Since the focus of marketing activity is centered around satisfying the consumer at a profit, marketers gradually realized that understanding the consumer is essential to the conduct of marketing. To make effective marketing mix decisions, the marketer must understand how consumers would react to the product's price, the product's accessibility in various channels of distribution, the product's advertising messages, and other functional and symbolic characteristics associated with the marketing product.

More recently, basic marketing construals have drastically changed. Marketing is not defined as a business activity any more. Marketing products are not restricted to tangible physical products. Marketing consumers are not restricted to marketing clients. And more drastically, marketing is now being viewed as an exchange activity not limited to organizations (Baggozi, 1975; Bartels, 1974; Kotler & Levy, 1969; Kotler, 1972; Lavidge, 1970; Levitt, 1965).

Specifically, Kotler and Levy (1969) defined marketing products and consumers very broadly. Products were not defined as tangible products as has been traditionally treated, but incorporate services, persons, organizations, and ideas. Consumers are not merely clients (the immediate consumers of the organization's product), but also suppliers (employees, vendors of the materials, banks, advertising agencies, consultants, etc.), directors (trustees who have the legal authority for the organization), active publics (consumer rating groups, governmental agencies, pressure groups, etc.), and general publics (all the people who might develop attitudes toward the organization that might affect its conduct in some way).

Futhermore, Kotler (1972) distinguished three different levels of consciousness regarding the boundries of marketing. Consciousness one (marketing in its infancy stage) was defined as traditional marketing, that is marketing is essentially a business activity. Consciousness two (marketing adolesence) holds that marketing is appropriate for all organizations that have customers. Consciousness three (marketing maturity) holds that marketing is a relevant subject for all organizations in their relations with all their publics, not only customers.

To exacerbate the situation, Bagozzi (1975) construed marketing as a social exchange phenomenon occurring between any two or more social entities through which the principles of social exchange can be universally applied.

These conceptual developments in marketing definition have created an "identity crises" for consumer behaviorists and for the consumer behavior discipline. The task yet remains to make an effort to review the definitional issue of consumer behavior in light of these conceptual developments.

The purpose of this paper is therefore to introduce a theoretical framework which defines the scope and boundary of consumer behavior study.

DEVELOPMENTAL LEVELS IN THE STUDY OF CONSUMER BEHAVIOR

Six different developmental levels of the consumer behavior discipline are identified. These levels reflect the maturation process of the dicipline.

Level I

When consumer behavior as a scientific discipline was originally founded, it was closely tied to traditional marketing - traditional marketing being defined as a business activity oriented towards the mass marketing of economic goods. Consumer behavior as studied at its birth stage can therefore be defined as the scientific study of the psychological structural and and process dynamics, of individuals who consume an economic good, which is exchanged by a business organization for a profit, in one or more settings and in one or more time periods, for the purpose of satisfying consumers at a maximal profit.

Consumer behavior as a "scientific discipline" adheres to scientific principles and conduct. A consumer behaviorist as any other scientist develops and tests hypotheses about the nature of the consumption world. This is usually accomplished through the process of theorization, observation, testing, replication, cumulation, and closure. This effort goes toward the building of consumer behavior theories which attempts to explain, describe, model, predict, and control consumer behavior.

The "psychological structural and process dynamics" inherent in the definition of First Level Consumer Behavior refers to those mediating psychological structures and processes involved in perceiving, interpreting, and acting up product-related stimuli. Mediating structures may be exemplified by personality factors, self-concept factors, life style factors, role factors, attitude factors, etc. Mediating processes may include perception, motivation, emotion, learning, decision making, and attitude change. These phenomena fall under the auspices of psychology and social psychology domains. In other words, the study of consumer behavior is partly the study of psychology and social psychology.

"Consumer an economic good which is exchanged by a business organization for a profit" refers to the monetary transaction between the consumer and the business organization selling the product or rendering the service. The study of these monetary transactions incorporates the field of economics and therefore is partly construed as the study of economics.

"One or more settings and in one or more time periods" refers to either micro or macro approaches to the study of consumer settings and consumption time elements. In the micro sense, the study of human behavior in different social settings falls within the domain of social psychology. In the macro

sense, we can talk about cultural or societal settings. Differences in macro settings fall in the realm of cultural sociology. Similarly, the study of time on human behavior is usually treated by social psychology at the micro level and by anthropology at the macro level. Consequently, based on this perspective, the study of consumer behavior is construed as partly the study of social psychology, social anthropology, and cultural sociology.

"For the purpose of satisfying consumers at a maximal profit" makes explicit that the study of consumer behavior has a primary function of maximizing business profits in exchange for consumer satisfaction.

The study of maximizing profits is linked not only with economics, but also with management science. Therefore, one can argue that management science has a role in the study of consumer behavior, and conversely consumer behavior can be partly construed as the study of management science.

Based on this definition of consumer behavior, it can be seen that the study of consumer behavior was born as a multidisciplinary scientific discipline having certain loyalties to psychology, social psychology, sociology, economics, anthropology, and management science.

Level II

However, following the consumerism movement, consumer behavior diverted its attention to the study of public policy issues related to consumer protection and consumer satisfaction/dissatisfaction. This historical development provided an opportunity for consumer behavior to grow to the next developmental stage (Level II).

At the second stage of maturation process, consumer behavior is therefore defined as the scientific study of the psychological structural and process dynamics of individuals who consume an economic good, which is exchanged by a business organization for a profit, in one or more settings and in one or

more time periods, for the purpose of (1) satisfying consumers at a maximal profit and (2) protecting and educating consumers in the market place.

At this developmental level, the goal of consumer behavior studies has become twofold: one goal was (is) directed to maximizing business profits for the business organization in exchange for consumer satisfaction, and the second goal was (is) directed to protecting and educating consumers in the market place to offset business abuses inflicted on the mass consumers. This level of analysis of the study of consumer behavior has infiltrated the public policy domain and as such contributes to its knowledge bank (e.g. Capon and Lutz, 1979).

In many ways, current consumer behavior studies are "fixated" in the second stage of the developmental continuum.

Level III

This stage of consumer behavior study corresponds to the broadening of marketing activity to the nonprofit and public sectors. Consumer behavior studies are becoming more and more directed by nonprofit organizations such as universities, hospitals, and other nonprofit services. Therefore, consumer behavior is defined at stage three of developmental process as the scientific study of the psychological structural and process dynamics of individuals who consume an economic good, which is exchanged by a profit or nonprofit organization, in one or more time periods and in one or more settings, for the purpose (1) satisfying consumers at a maximal profit, (2) protecting and educating consumers in the market place, and (3) satisfying consumers at a minimal cost to them.

This definition of consumer behavior incorporates nonprofit organizations with the additional goal of consumer satisfaction at a minimal cost for the consumer.

At this stage, consumer behavior as a scientific discipline contributes knowledge of those disciplines involved in nonprofit organizations such as educational administration, health administration, etc. (Kotler 1975).

Level IV

However, many nonprofit organizations render goods and services which do not have precisely a monetary value, namely noneconomic goods. These may be exemplified in terms of religious services, political candidates, social ideas, etc. Consumer behavior studies can be (and are) conducted to study voting behavior, litter control, energy conservation, etc. These studies involve noneconomic goods, and place consumer behavior at a higher level of the maturation cycle.

Based on this perspective, consumer behavior is defined as the scientific study of the psychological structural and process dynamics, of individuals who consume an economic or noneconomic good, which is exchanged by a profit or nonprofit organization, in one or more settings and in one or more time periods, for the purpose of (1) satisfying consumers at a maximal profit, (2) protecting and educating consumers in the market place, (3) satisfying consumers at a minimal cost to them and (4) eliciting a social response.

This definition of consumer behavior is broadened to incorporate noneconomic goods such as social values for the purpose of eliciting a social response.

In this case, consumer behavior is said to study those social phenomena which concerns political science, public administration, community psychology, among numerous others (e.g., Cooper, Kehoe, and Murphy, 1978; Lazer and Kelley, 1973).

Level V

The next stage of the maturation of the consumer behavior discipline is the release of the restriction placed on organizational marketing. Can marketing activity be conducted with or without an organization? Can two persons engage in marketing? Can two societies engage in marketing? Can we talk about marketing between or among social entities (cf. Bagozzi, 1975)?

What is argued here is that economic or noneconomic goods can be exchanged by a social entity (i.e., person, group, organization, society) with another social entity. However, one needs to maintain the distinction between the marketing agent and the consumer, since the study of consumer behavior focuses on the recipient or consumer and not the marketing agent or both.

Keeping this in mind, consumer behavior is construed to be a scientific study of psychological structural and process dynamics, of the social entity, which consumes an economic or noneconomic good, exchanged by another social entity, in one or more settings and in one or more time periods, for the purpose of accomplishing a specified goal.

Note that at this stage the precise goals cannot be easily specified unless one specifies the specific level-of-analysis.

Here, the study of consumer behavior is not restricted to the individual consumer but is allowed to investigate behavioral phenomena traditionally restricted to the fields of organizational buying behavior (e.g., Johnston, 1981), social psychology of family dynamics (e.g., Davis, 1976) group dynamics (Moschis, 1981), international marketing (e.g., Cavusgil and Newin, 1981), quality of life (e.g., Sirgy, Samli, and Meadow, forthcoming).

Level VI

But why do we need to restrict ourselves to the psychological world? Can we include the physical and biological structural and process dynamics of the designated marketing entity (i.e., consumer)? Why do we need to only talk about exchanges of economic or noneconomic goods? Can be generalize this concept to "values" or "utilities"? Can we not talk about two social, biological, or physical systems exchanging social, biological, or physical values, one of them being the consumer?

The key point here is that consumer behaviors are not restricting themselves to investigating those psychological structural and process dynamics of social entities which consume economic and noneconomic goods but are also studying those physical and biological structures and processes associated with the consumption unit. For example, consumer behavorist are starting to investigate left-right brian hemispheric functions (e.g., Krugman, 1977), developing physiological instruments (e.g., Watson and Gatchel, 1979), etc. This is of course limited to the physical, biological, and psychological structures and processes of a social system.

At a much higher level, we can talk about any kind of physical, biological, or social system exchanging matter, energy, and/or information with other physical, biological, or social systems. This gets us into the science of general systems theory and research (Miller, 1978; Berrien, 1968; Kuhn, 1975; Bertalanfy, 1968, Sutherland, 1973; Boulding, 1981; Loszlo, 1972) which has been touched upon in the marketing and consumer behavior disciplines (Sirgy and Samli, 1981; Hunt, Muncy and Ray, 1981)

Consumer behavior is therefore defined at this level of maturity as the scientific study of a system's structural and process dynamics

which exchanges values with another system for the purpose of accomplishing some specified goal.

CONCLUSION

A summary of the developmental levels of the consumer behavior discipline is shown in Figure 1

Insert Figure 1 About Here

The title of this work is "Consumer Behavior: Its Scope and Boundary." One can argue that the developmental model specified here has no boundaries. Virtually anything can be construed in terms of consumer behavior and becomes legitimate as falling within the realm of the discipline. But the question which should be posed is: "Do we need a boundary?"

Although almost everything can be construed as falling within the realm of consumer behavior, some people may argue that legitmacy lies towards the lower developmental levels of the maturation dimension and the more we develop or mature towards stage six, the more we approach illegitimacy. This is a thought provoking issue which needs further treatment. However, for the time being, allow me to "leave the door open."

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FOOTNOTES

[1]The marketing concept refers the development and distribution of products and services which satisfy consumer wants and needs. The marketing concept has also been referred to as the marketing orientation. This type of business orientation is to be contrasted with the past production and sales orientations. The production orientation refers to the business practice which emphasizes product engineering or product innovation with little regard to finding out whether there is a consumer demand for those innovations. The sales orientation is not very different from the production orientation with the minor exception that the emphasis is placed on selling what is manufactured irrespective of consumer demand. The marketing orientation starts with the consumer. Consumer needs and wants are studied and accordingly products are developed and distributed to meet consumer demand. More recently, the marketing orientation has been replaced with the societal marketing orientation in which the emphasis is not only placed within the consumer but also with the society at large (Kotler, 1980).

DEVELOPMENTAL LEVELS IN THE STUDY OF CONSUMER BEHAVIOR

LEVEL I: (1) SCIENTIFIC STUDY OF PSYCHOLOGICAL STRUCTURAL AND PROCESS DYNAMICS IN ONE OR MORE SETTINGS AND IN ONE OR MORE TIME PERIODS

(2) OF INDIVIDUALS WHO CONSUME

(3) AN ECONOMIC GOOD

(4) EXCHANGED BY A BUSINESS ORGANIZATION

(5) FOR THE PURPOSE OF SATISFYING CONSUMERS AT A MAXIMAL PROFIT.

LEVEL II: (1) SCIENTIFIC STUDY OF PSYCHOLOGICAL STRUCTURAL AND PROCESS DYNAMICS IN ONE OR MORE SETTINGS IN ONE OR MORE TIME PERIODS

(2) OF INDIVIDUALS WHO CONSUME

(3) AN ECONOMIC GOOD

(4) EXCHANGED BY A BUSINESS ORGANIZATION

(5) FOR THE PURPOSE OF (A) SATISFYING CONSUMERS AT A MAXIMAL PROFIT OR (B) PROTECTING AND EDUCATING CONSUMERS IN THE MARKET PLACE.

LEVEL III: (1) SCIENTIFIC STUDY OF PSYCHOLOGICAL STRUCTURAL AND PROCESS DYNAMICS IN ONE OR MORE SETTINGS AND IN ONE OR MORE TIME PERIODS

(2) OF INDIVIDUALS WHO CONSUME

(3) AN ECONOMIC GOOD

(4) EXCHANGED BY A PROFIT OR NONPROFIT ORGANIZATION

(5) FOR THE PURPOSE OF (A) SATISFYING CONSUMERS AT A MAXIMAL PROFIT, (B) PROTECTING AND EDUCATING CONSUMERS IN THE MARKET PLACE, OR (C) SATISFYING CONSUMERS AT A MINIMAL COST TO THEM.

LEVEL IV: (1) SCIENTIFIC STUDY OF PSYCHOLOGICAL STRUCTURAL AND PROCESS DYNAMICS IN ONE OR MORE SETTINGS AND IN ONE OR MORE TIME PERIODS

(2) OF INDIVIDUALS WHO CONSUME

(3) AN ECONOMIC OR NONECONOMIC GOOD

(4) EXCHANGED BY A PROFIT OR NONPROFIT ORGANIZATION

(5) FOR THE PURPOSE OF (A) SATISFYING CONSUMERS AT A MAXIMAL PROFIT, (B) PROTECTING AND EDUCATING CONSUMERS IN THE MARKET PLACE, (C) SATISFYING CONSUMERS AT A MINIMAL COST TO THEM, OR (D) ELICITING A SOCIAL RESPONSE.

LEVEL V: (1) SCIENTIFIC STUDY OF PSYCHOLOGICAL STRUCTURAL AND PROCESS DYNAMICS IN ONE OR MORE SETTINGS AND IN ONE OR MORE TIME PERIODS

(2) OF A SOCIAL ENTITY WHICH CONSUMES

(3) AN ECONOMIC OR NONECONOMIC GOOD

(4) EXCHANGED BY ANOTHER SOCIAL ENTITY

(5) FOR THE PURPOSE OF ACCOMPLISHING SOME SPECIFIED GOAL.

LEVEL VI: (1) SCIENTIFIC STUDY OF A PHYSICAL, BIOLOGICAL, AND/OR PSYCHOLOGICAL STRUCTURAL AND PROCESS DYNAMICS IN ONE OR MORE SETTINGS AND IN ONE OR MORE TIME PERIODS

(2) OF A SYSTEM WHICH CONSUMES

(3) VALUE OR UTILITY

(4) EXCHANGED BY ANOTHER SYSTEM

(5) FOR THE PURPOSE OF ACCOMPLISHING SOME SPECIFIED GOAL.

Figure 1: Developmental Levels in the Study of Consumer Behavior.